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March 1, 2007

Honorable James H. Welsh Commissioner of Conservation Office of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

Re: Gray Sand, Reservoir A

South Sarepta Field Bossier Parish, Louisiana

Alternate Unit Well Designation for GRAY RA SUA

Dear Commissioner Welsh:

Application is hereby made on behalf of **KERR-McGEE OIL & GAS ONSHORE LP**, for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Gray Sand, Reservoir A, in South Sarepta Field, Bossier Parish, Louisiana, said unit designated GRAY RA SUA:

- 1. To permit the applicant to drill, designate and utilize its Whittington Heirs 28 No. 2 Well as an additional alternate unit well for the GRAY RA SUA, in the South Sarepta Field, Bossier Parish, Louisiana, said well to be at the location shown on the plat attached hereto and made a part hereof, in compliance with the spacing provisions of Office of Conservation Order No. 167-F, effective November 1, 1963.
- 2. To find that this well is necessary to efficiently and economically drain a portion of the reservoir covered by the unit which cannot be so drained by any existing well within such unit.
- 3. To permit the operator to produce the unit allowable in accordance with the provisions of Office of Conservation Order No. 167-F-9, effective March 7, 1995 (at a rate equal to the combined rate at which the unit well and the alternate unit well or wells, whether one or more, located on such unit are capable of efficiently producing).
- 4. Except to the extent herein set forth, to continue in full force and effect the provisions of Office of Conservation Order No. 167-F, effective November 1, 1963, as amended and supplemented by the 167-F Series of Office of Conservation Orders, the units created thereby and applicable Statewide Orders.

5. To consider such other matters as may be pertinent.

The Gray Sand, Reservoir A, in the South Sarepta Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 167-F-2, effective November 12, 1974.

The proposed additional alternate unit well will permit efficient and economic recovery of hydrocarbons underlying the unit and is needed to satisfy the market demand for gas and condensate from the field.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal along with a list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herewith is our check on behalf of the applicant in the amount of \$755.00 <u>made payable to the Office of Conservation</u> representing the required hearing application fee.

Very truly yours,

Richard W. Revels, Jr.

RWRjr/dbf Enclosures 48990.0227 191867_1

cc:

James Broussard, Shreveport District Office of Conservation

cc: Interested Owners, Represented Parties and Interested Parties

